

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 2000-376

August 22, 2000

OXFORD TELEPHONE COMPANY  
OXFORD WEST TELEPHONE COMPANY  
Request for Approval of Affiliated Interest  
Transaction for Standard Support  
Services Agreement

ORDER

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

---

I. Summary of Decision

In this Order we approve, pursuant to 35-A M.R.S.A. §707, a Support Services Agreement (SSA) that will establish the terms and conditions governing services that will be provided between and among Oxford Telephone Company (Oxford), Oxford West Telephone Company (Oxford West) (collectively the Oxford Companies) and any affiliated interest of the Oxford Companies. We do not determine the reasonableness of the amounts charged under the agreement for the purpose of setting the rates of the Oxford Companies, which are regulated public utilities in Maine. Such reasonableness may be examined at the time of any future rate case. In addition, at the time of the next general rate case of either of the Oxford Companies, the Commission will consider whether the approval granted herein will remain in effect.

II. Discussion

On April 28, 2000, in accordance with the requirements of 35-A M.R.S.A. §707, the Oxford Companies filed an Application for Approval of a Support Services Agreement that would govern the provision and pricing of services described in paragraph 3 of the SSA between and among the Companies and any of their affiliated interests. The SSA is a general document that describes the terms and conditions that will apply whenever the Companies provide support services to or obtain services from any of their affiliates or to or from each other.

The SSA states that for services which are also available to unaffiliated third parties, the prices will be the market rate or the applicable tariff rate, if either exists. For other services, the price will be the provider's cost plus up to 10%. The cost is determined according to the Cost Allocation Manuals (CAM) submitted by each of the

Oxford Companies on August 8, 2000.<sup>1</sup> We have reviewed the CAMs and find they comply with the cost allocation standards applicable to small telephone companies.

While we approve the SSA and the CAMs for use by the Oxford Companies and their affiliates, we do not necessarily approve for ratemaking purposes the prices paid or received by the Oxford Companies. Those prices, as well as the quantity and quality of services provided, may be reviewed at the time of any examination either Company's regulated rates. The Oxford Companies retain the burden of justifying the reasonableness of the services and prices, including the 10% markup contained in the SSA, of any charges to the utilities. As long as the SSA remains in effect, in any rate case proceeding involving Oxford Companies, the company must specifically identify and justify any markup above cost that is included in the pricing of the services provided to the utility that is covered by the SSA. Also, in accordance with Chapter 210 of our Rules, the Company must maintain sufficient accounting records to identify the nature, pricing and total dollar value of all transactions with its affiliates.

We have reviewed the SSA filed by the Oxford Companies and find it not adverse to the public interest. With the conditions stated above concerning the regulatory treatment of the services and prices and the need for sufficient accounting of the amounts involved, we approve the SSA as submitted. Because the SSA submitted as part of the Oxford Companies Application for Approval contained several blank lines and was not signed, we also require that the Company file a copy of the executed SSA with the Commission within 30 days of the signing of such agreement.

Therefore, we

## ORDER

1. That the Support Services Agreement filed by Oxford Telephone Company and Oxford West Telephone Company on April 28, 2000, is approved for use in the provision of the services specified in the agreement between and among the Oxford Companies and any of their affiliated interests, subject to the conditions regarding ratemaking treatment and accounting that are contained in the body of the Order;

2. That the Cost Allocation Manuals filed by the Oxford Companies on August 8, 2000 are approved; and

---

<sup>1</sup> Although the Oxford Companies filed this request on April 28, 2000, they did not file the CAMs until August 8, 2000. In the future, we will not consider a request for approval of a SSA complete (and thus starting the statutory time limits in 35-A M.R.S.A. §707(3)) until the CAM is filed.

3. That this docket be closed.

Dated at Augusta, Maine, this 22<sup>nd</sup> day of August, 2000.

BY ORDER OF THE COMMISSION

---

Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR:      Welch  
   Nugent  
   Diamond

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.